

Summary

Governor Gregoire's 2005-07 Pension Budget

Changes (GF-S savings for 2005-07 only)

- HB 1043: Delay recognition of future gain-sharing liability until the next gain-sharing occurs and then only recognize past gain-sharing liability up to that point - does not repeal gain-sharing benefit (saves \$147 million).
- HB 1044: Continue to suspend payments toward the PERS 1 and TRS 1 unfunded liability (saves \$173 million).
- HB 1044: Change from the Aggregate to the Projected Unit Credit (PUC) actuarial funding method for PERS, TRS and SERS Plans 2/3 (saves \$196 million).
- Z-0657 Section 806: Transfer 50% of June GF-S revenue forecast gains for 2005-2007 toward the suspended PERS 1 and TRS 1 unfunded liability payments (up to a maximum of \$173 million).

Employer Contribution Rates*

System	Current Rates	Current Policy 2005-07**	Governor's Proposal 2005-07
PERS	1.19%	5.73%	1.20%
TRS	1.18%	6.74%	0.57%
SERS	0.85%	7.56%	1.30%

* Excludes the administrative expense rate.

** Includes the cost of recognizing future gain-sharing benefits.

Plan 2 Member Contribution Rates

System	Current Rates	Current Policy 2005-07	Governor's Proposal 2005-07
PERS	1.18%	3.38%	1.20%
TRS	0.87%	2.48%	0.24%
SERS	0.85%	3.51%	1.30%

Projected Employer Pension Contributions (Preliminary Estimate; GF-S in millions)*

Period	Current Policy	Current Policy without Gain-sharing	Governor's Proposal**
2003-05	\$161	\$161	N/A
2005-07	\$684	\$538	\$168
2007-09	\$1,067	\$889	\$778
2009-11	\$1,394	\$1,194	\$1,169

*Includes preliminary estimates for LEOFF, WSP and PSERS.

**Assumes no proposed transfers under Z-0657 Section 806.

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